



Tricia Dietrich Petty
Executive Director – Health & Safety

March 2, 2023

By Electronic Mail

Mr. Gregory Ochs
Director, Central Region
U.S. Department of Transportation
Pipeline and Hazardous Materials Safety Administration
901 Locust Street, Suite 462
Kansas City, MO 64106

Re: NuStar Pipeline Operating Partnership L.P.
Notice of Probable Violation and Proposed Civil Penalty
CPF No. 3-2023-004-NOPV

Dear Mr. Ochs:

On behalf of NuStar Pipeline Operating Partnership L.P. (NuStar or the Company), this letter is to acknowledge receipt of the above-referenced Notice of Probable Violation (NOPV) and Proposed Civil Penalty issued by the Pipeline and Hazardous Materials Safety Administration (PHMSA or the Agency) on February 2, 2023. The NOPV alleges three (3) violations of the federal pipeline safety regulations associated with drug testing requirements at 49 C.F.R. Part 199 and includes a proposed civil penalty associated with a single allegation (NOPV Item 2). With this letter, NuStar, in the spirit of cooperation and without admission, accepts the allegations and proposed civil penalty associated with NOPV Item 2 subject to the additional context set forth below. Separately, the Company is transmitting payment of the civil penalty.

NuStar is committed to safely operating its system in compliance with the federal pipeline safety regulations, including those related to drug and alcohol testing at 49 C.F.R. Part 199. To address the issues identified by the NOPV, the Company has taken a number of steps to increase its oversight of third-party service providers and the occurrence of random drug testing. These steps include implementation of yearly audits of those third-party providers to better ensure compliance with the federal pipeline safety regulations. Moreover, to address the specific issues identified in NOPV Item 1, NuStar subscribed to the ODPAC list-serve and instituted a process to provide relevant information to the Company's consortium of third-party service agents for distribution to collectors. Additionally, the Company verified that the collector identified in the NOPV has been retrained on proper urine specimen collection processes. Finally, the Company has taken measures to ensure that drug testing is completed at more random intervals.

In addition to its commitment to pipeline safety, the Company also maintains a commitment to its employees. In light of that commitment and as it relates to NOPV Item 2, the Company

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acknowledges that it did not conduct random drug testing in 2020. This decision was made to protect employees during the global coronavirus pandemic from unnecessary exposure to the virus once NuStar's third-party service agent began to also function as a coronavirus testing site. Although the Company sought to limit employee exposure during the pandemic, NuStar continued to require drug and alcohol testing prior to onboarding new employees and after incidents as required by the federal pipeline safety regulations.

Please let me know if you have any questions or would like to discuss further.

Sincerely,

A handwritten signature in cursive script, appearing to read "Tricia Dietrich Petty".

Tricia Dietrich Petty